

GoldSeal excels in body sealing products

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Body seals by all means is a niche business. Having supplied its first body seals to the first car made in Indian, Mumbai-based Gold Seal, manufacturer of rubber based parts for the automotive industry for half a century now, is not a kid on the block. Despite having tasted success by supplying the creme de la creme of OEMs both globally as well in the domestic market, it is young enough to think about scaling newer heights. Now the second generation of the family owned business takes pride in being a 100% supplier to few of its customers.

From modest beginnings in rubber, metal, PVC seal, the traditional type of seal to a volume business, it's body seals have come a long way today finding themselves relevant beyond a portfolio, just automotive. Enroute sealing the rubber to the metal body, Gold Seal's ambitions were first realised when it sealed 2

Joint Ventures (JVs) back in 1997, with CQLT-Saargummi of Germany for supplying body seals, and with MGI Coutier Avon Automotive, USA, to provide technology advanced coolant, water and fuel conveying hose systems.

Claimed at making global innovations available for local customers in India at a localised cost, with 14 plants and 4 design centres globally, a R&D centre headquartered in Germany, Saargummi brings along 5 different lines of innovations on the different products and about 20 patented innovations. On the other hand, Gold Seal Engineering manufactures plastic extrusions and compound for the JV for which it has a dedicated rubber compound mixing unit, so as to maintain confidentiality on the compound used.

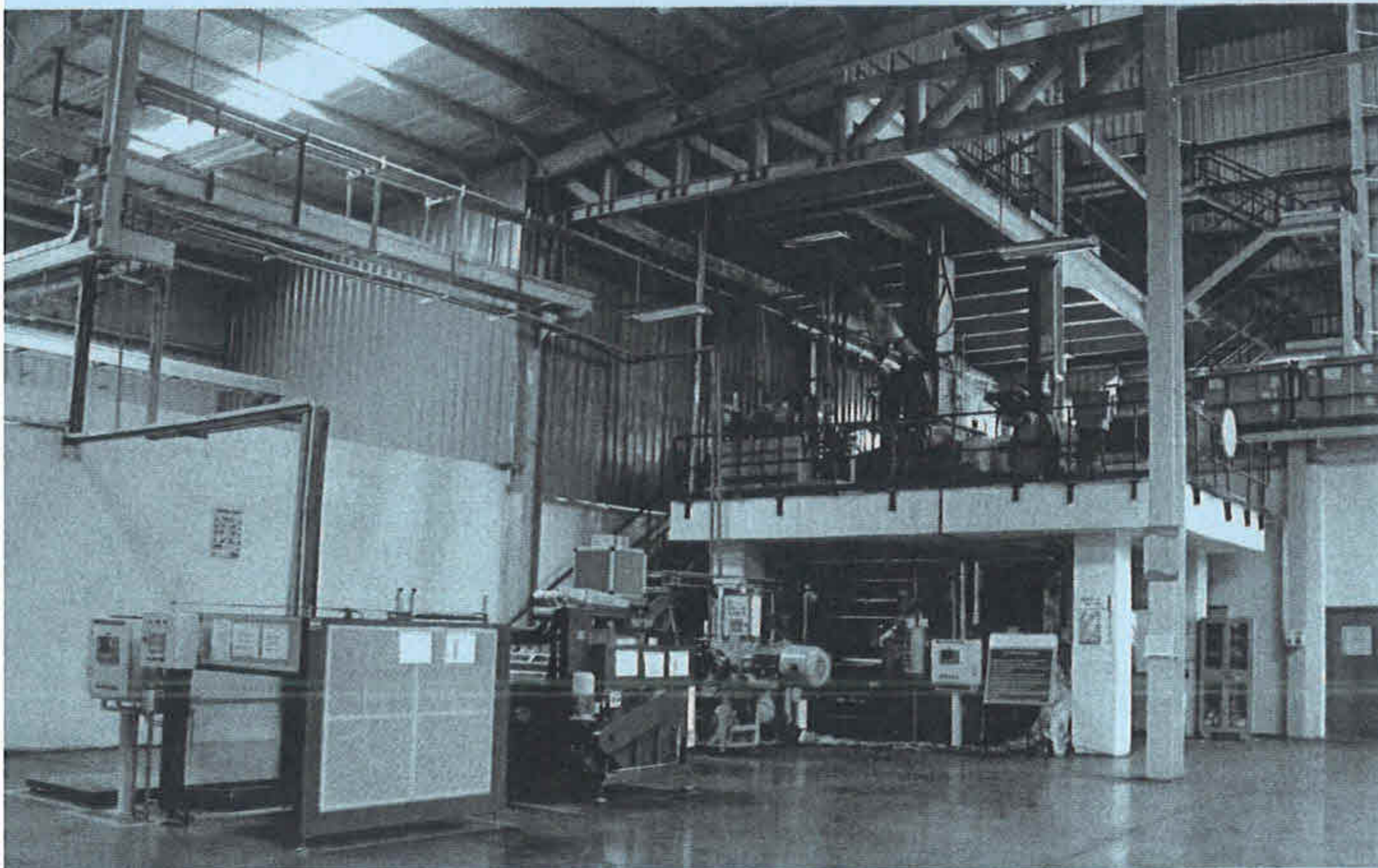
On one hand it supplies to Mahindra & Mahindra, Ford Motors, Bajaj Auto, Volkswagen for the passen-

ger vehicle segment, on the other hand a Gold Seal-Saargummi body seal has also made inroads into the Commercial Vehicle (CV) segment. While passenger vehicles contribute to 80% of the JVs revenue, the CV segment constitutes the rest. Single source to MAN trucks for their truck cabin, Force Motors and Tata Motors are some of the other OEMs it supplies to. If sources are to be believed, Daimler India Commercial Vehicles, Volvo Eicher Commercial Vehicles and Ashok Leyland could follow suit.

When the Volkswagen Polo launched, the JV propelled by allowing it to make use of its innovative and patented technology Vario door seal in India. Today the JV supplies to its variants like the Vento and Rapid to mention a few. The success of the claimed largest producing SUV in its category, Ford Ecosport, the highest selling SUV Bolero. While individual volumes might not be high, the cumulative numbers are claimed substantial owing to the high degree of standardisation in what is quintessentially the same body seal.

Being a single source to Ford, Volkswagen, Bajaj and select projects on Force Motors, Pilloo C Aga, Director, GoldSeal said it was reason enough to believe that contracted OEMs are a satisfied lot and as a result refrain from seeking partnerships elsewhere. Looking at growth by way of supplying inelastic product portfolios rather than volume based Pilloo exclaimed, "We haven't got the spectacular growth products but associate ourselves with seemingly inelastic products instead." Admitting a bottom hand against players in Northern region purely due to logistic costs that do not make for

Raw material mixing facility in Sanand plant



Wide range of door seals manufactured by Gold Seal



business acumen, on home ground, in comparison a level playing field, he exuded confidence at being able to prove their mettle.

GoldSeal-Saargummi's quintessential units at Daman, Sanand in Ahmedabad are aided by comparatively modest units in Mumbai. A small finishing operation in Mumbai caters specially to Mahindra & Mahindra. While Daman caters to Volkswagen, Mahindra and Bajaj Auto, its Sanand, a potential automotive hub that is the largest of them mainly caters to Ford. Built with 6 extrusion lines, Sanand is a greenfield project that is known to have been built in less than a year's time.

The backbone of such an efficient model calls for dedicated reserves for training, R&D and market research, and 2% of the turnover stands allotted to it. As such the high point could be, both the extrusion plants at Daman and Sanand for instance have a specific set of tools for each product with a capability of quick changeover from 1 product type to another. With a clear demarcation between an export and domestic body seal, the company products have to surpass extreme tests, and back themselves courtesy the finite element analysis part of Saargummi's FEE database that carries out simulations and ensures near accurate results on most occasions. All products undergo extensive validation and testing during the development phase to meet the high quality standard specifications of the OEM customers.

The Daman plant produces the complex and innovative extruded DM rubber seals and weather strips. The Sanand plant is spread over 9000 sqm of manufacturing area, brings with it a sophisticated mixing equipment with automatic weighing and direct feeding for critical equipment. Pradeep C Aga, Director, GoldSeal Engineering Products said, "Sanand has

a full batch to batch traceability with heavy automation to ensure 100% repeatability. It ensures a consistent rubber compound which is the essence of the seal to ensure insertion extraction." The other patented and innovative set of products from Sanand include Vario Seal, Seal Tech, Vario Proof, Vario Light and Endless Gold Seal.

The innovative line-up of products boasts of yet another seal on the body applied using tapes instead of metals. It is known to help reduce the weight of the vehicle by 2.3 kg approximately. With customer expectations going up year after year, it's the look and appeal ranks higher than the function of the car. Khursheed Cyrus Aga, Additional Director, Gold Seal Engineering said, "For more premium seal tech where we match seal colour with colour of upholstery, customers could choose different shades and ways to match trim panels in vehicles to give a more uniform feel in comparison to just a black that out in the interiors." About 5 patented technologies ahead of the customer's demand in future, these will be rolled out when the economics of it makes sense. A testimony to the JV company's global outlook and preparedness to scale up to new product types is how the new Falcon X from Tesla Motors in the United States of

America is supplied by Saargummi.

Speaking on the macro environment, Urvaksh said, "Auto component industry is struggling with overcapacity, a lot of capacity has been made in for the new product launches, however the market is not growing in totality. We are not seeing even distribution in the visible part of the market growth, it's the new products that are driving the growth of market at present."

Together Gold Seal Engineering, Saargummi and Avon automotive has a turnover of Rs 220 crore, and exports to European and African markets. Manufacturing original antique rubber channels made with natural rubber, Gold Seal is well aware of the demand from vintage car enthusiasts and restorers, and continues to address their needs. It is also looking at new avenues like industrial applications. Its products could find use in control panels, enclosures for machinery, generator enclosures, street lighting and solar panels. Gold Seal and Saargummi in India has had a good outing in the last financial year. Clocking a Compounded Annual Growth Rate (CAGR) of 30% in FY 2014-15, last year they grew by 7% over the 23% it registered in FY2012, a 14% jump over its known average growth of 16% in the last decade. **ACI**